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*Integrity - Service - Excellence*

# *Indefinite Delivery/Indefinite Quantity (ID/IQ) Contracts*

**Date: 24 Jan 07**
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# Definitions

- Delivery Order Contract - Contract for supplies that does not procure or specify firm quantities (other than minimum/maximum quantity) and provides for the issuance of orders for delivery of supplies during the contract period

- Task Order Contract – Contract for services that does not procure or specify a firm quantity of services (other than minimum/maximum) and provides for the issuance of orders for the performance of tasks during the contract period

# FAR References

- FAR SUBPART 16.5
- FAR 6.001 (e)
- DFAR SUBPART 216.5

# Contract Types

- Three types of indefinite delivery contracts:
  - Definite-quantity contracts
  - Requirements contracts
  - Indefinite-quantity contracts
- All three types permit government stocks to be maintained at minimum levels; and direct shipment to users
- Indefinite-quantity and requirements offer flexibility of
  - Quantities
  - Delivery Scheduling
  - Easier ordering
- Less time vs. traditional RFP/IFB procedures once an IDIQ is awarded

# Contract Types

- Definite-Quantity Contract

  - Provides for delivery of a definite quantity of specific supplies or services for a fixed period, with deliveries or performance to be scheduled upon ordering.
  - A definite-quantity contract may be used when it can be determined in advance that --
    - (1) A definite quantity of supplies or services will be required during the contract period and
    - (2) The supplies or services are regularly available or will be available after a short lead time.

# Contract Types

- Requirements Contract
  - Provides for filling **ALL** requirements of designated Government activities for supplies or services during a specified contract period
  - These contracts permit faster deliveries when production lead time is involved, because contractors are usually willing to maintain limited stocks when the government will obtain all of its actual purchase requirements from the contractor
  - Solicitation/Contract must contain
    - Realistic estimated total quantities
    - Maximum limit of contractor's delivery obligations/Government's obligation to order
    - Contract Min/Max
    - Order Min/Max/Timeframe

# Contract Types

- Indefinite-Quantity Contract
  - Provides for an indefinite quantity, within stated limits, for supplies or services within a fixed period
  - Used when the Government can't predetermine, other than the minimum, quantities required during the performance period or for the anticipation of a recurring need
  - Indefinite-quantity contracts limit the government's obligation to the minimum quantity specified in the contract.
  - In addition, these types of contracts permit ordering supplies after requirements materialize.

# Contract Types

- Indefinite-Quantity Contract (con't)
  - Contract **MUST REQUIRE**
    - Contract Minimum order quantity by Government
    - Contract Minimum furnish quantity by Contractor
  - **MAY STATE**
    - Order Min/Max/Timeframe
  - Contract/Solicitation **MUST STATE**
    - Specify contract period of performance (to include any options)
    - SOW/Specs/Description
    - Ordering Procedures
    - Description of activities authorized to issue orders
    - Authorization for placing oral orders if appropriate

# Solicitation Provisions and Clauses

- All Types Include:
- 52.216-18 – Ordering
  - Authority for issuance of orders
- 52.216-19 – Order Limitations
  - Establishes order minimum/maximum and within what timeframe

  Definite Quantity
- 52.216-20 – Definite Quantity
- Requirements:
- 52.216-21 – Requirements
- Indefinite Quantity
- 52.216-22 – Indefinite Quantity
- 52.216-27 – Single or Multiple Awards
  - For multiple award contracts

# Solicitation Provisions and Clauses

- Contact information for the agency task order and delivery order ombudsman (multiple award contracts)
- 10 USC 2304a (effective 23 Mar 04) requires that, unless otherwise approved in accordance with agency procedures, the total of the basic and option periods shall not exceed 5 years
  - (not applicable to IT contracts)
- Current policy requires that the guaranteed minimum be awarded concurrent with award of the basic contract

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# Food for thought

- Contract minimum must be more than a nominal quantity but not more than the amount the Government is fairly certain to order
- Total quantities should be realistic.  Based on records available…previous requirements…
- TRACK TRACK TRACK  quantities…This will ensure that you meet the minimum, that you do not exceed the estimated quantities to the point of exceeding the SCOPE of your contract, it will provide the historical information needed for establishing estimated quantities for future contracts
- Track bonding when required
- Document fair opportunity for multiple award orders

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